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NOT FOR PUBLICATION

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6 **IN THE UNITED STATES DISTRICT COURT**
7 **FOR THE DISTRICT OF ARIZONA**
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9 Nikon Corporation,

10 Petitioner,

11 v.

12 ASML US Incorporated,

13 Respondent.
14

No. MC-17-00035-PHX-JJT

ORDER

15 At issue is Petitioner Nikon Corporation's ("Nikon") Application for an Order
16 Directing ASML US, Inc. to Respond to Requests for Documents Pursuant to 28 U.S.C.
17 § 1782 (Appl., Doc. 1), to which Respondent ASML US, Inc. ("ASML US") filed a
18 Response (Resp., Doc. 22), and in support of which Nikon filed a Reply (Reply,
19 Doc. 23). Pursuant to LRCiv 7.2(f), the Court concludes this matter is suitable for
20 resolution without oral argument. Accordingly, the Court grants in part and denies in part
21 Petitioner's Application.

22 **I. BACKGROUND**

23 The application before the Court seeks the production of documents for use in
24 European and Asian litigation concerning the alleged patent infringement of
25 microlithography systems. (Appl. 2-3.) The systems at issue are critical to the
26 manufacture of integrated circuit chips, as this equipment is capable of printing the small
27 and precise circuit patterns that comprise the modern semiconductor chip. (Schuster Decl.
28 ¶ 11, Doc. 22-3.) As technology has improved, microlithography systems have enabled

1 the shrinking size of circuit chips, making possible many of the products considered
2 indispensable to 21st-century life. (Appl. 2; Schuster Decl. ¶ 11.) Given the importance
3 of the technology to the electronics industry, it is unsurprising that these systems are the
4 subject of frequent international patent litigation.

5 The parties before the Court are familiar faces in that industry. Nikon is an
6 international manufacturer of microlithography systems, holding nearly a dozen patents
7 in both Europe and Japan. (Appl. 2–3; Londen Decl. ¶ 4, Doc. 1-6.) To protect these
8 patents, Nikon has initiated legal proceedings in the Netherlands and Japan against
9 ASML Holding, N.V. (“ASML NV”)—a Dutch entity that manufactures
10 microlithography systems. (Appl. 1.) Similarly, Nikon has filed suit in Germany against
11 Carl Zeiss SMT GmbH (“Zeiss”), which supplies optical components to ASML NV.
12 Nikon’s current application, however, requests production by an indirect subsidiary of
13 ASML NV, ASML US, which is incorporated in Delaware and maintains its principal
14 place of business in Chandler, Arizona. (London Decl. ¶¶ 7–8.)

15 **II. LEGAL STANDARD**

16 Under 28 U.S.C. § 1782, a district court may, upon application, order the
17 production of documents for use in legal proceedings abroad. A petitioner for discovery
18 must, however, satisfy three statutory requirements before a district court can grant the
19 request. First, the person from whom discovery is sought must “reside” or “be found” in
20 the district. 28 U.S.C. § 1782(a). Next, the discovery must be “for use” in a proceeding in
21 a foreign tribunal. *Id.* Finally, the applicant must be either the foreign tribunal or an
22 “interested person” in the litigation. *Id.*

23 Even if a petitioner satisfies these conditions, a court may still exercise its
24 discretion in determining whether to grant or deny a Section 1782 application. As such,
25 courts may give consideration to the following factors: (1) whether “the person from
26 whom discovery is sought is a participant in the foreign proceeding”; (2) the nature of the
27 foreign tribunal, the character of the proceedings underway, and the receptivity of the
28 court to U.S federal-court assistance; (3) whether the Section 1782 request “conceals an

1 attempt to circumvent foreign proof-gathering restrictions or other policies”; and (4)
2 whether the request is “unduly intrusive or burdensome.” *Intel Corp. v. Advanced Micro*
3 *Devices, Inc.*, 542 U.S. 241, 264–65 (2004). Additionally, the court may consider
4 “whether the requested materials are located outside the United States.” *Salcido-Romo v.*
5 *S. Copper Corp.*, No. CV-16-01639-PHX-DLR, 2016 WL 3213212, at *1 (D. Ariz. June
6 10, 2016) (citing *Four Pillars Enter. Co., v. Avery Dennison Corp.*, 308 F.3d 1075,
7 1079–80 (9th Cir. 2002)).

8 **III. APPLICATION**

9 **A. Statutory Requirements**

10 Nikon satisfies the statutory requirements imposed by Section 1782. First, ASML
11 US maintains its principal place of business in Chandler, Arizona, which is located within
12 the District. (Londen Decl. ¶¶ 7-8.) As such, it is “found” within the District of Arizona.
13 Further, as a party to the ongoing litigation in the Netherlands, Germany, and Japan,
14 Nikon qualifies under the statute as an “interested party.” *See Intel*, 542 U.S. at 256.
15 Finally, Nikon has met its burden to show that the documents sought are “for use.” To the
16 extent that ASML contests this final requirement, its concerns that Nikon is merely
17 engaging in a “fishing expedition” are more appropriate for evaluation in Section 1782’s
18 discretionary considerations.

19 **B. Discretionary Factors**

20 **1. Participant in the Foreign Proceeding**

21 Under *Intel*’s first discretionary factor, courts consider whether “the person from
22 whom discovery is sought is a participant in the foreign proceeding.” *Intel*, 542 U.S. at
23 264. When the party from whom discovery is sought is a participant in that proceeding,
24 the need for discovery under Section 1782 “is not as apparent as . . . when evidence is
25 sought from a nonparticipant” because the foreign court “has jurisdiction . . . and can
26 itself order them to produce evidence.” *Id.* As such, Section 1782 discovery proves
27 particularly useful for evidence “available in the United States, [that] may be
28 unobtainable absent § 1782(a) aid.” *Id.* In contrast, when a petitioner seeks documents

1 under Section 1782 that are actually “within the foreign tribunal’s jurisdiction reach,”
2 courts routinely weigh the first *Intel* factor in favor of denying the application for
3 discovery. *See, e.g., In re Kreke Immobilien KG*, No. 13 Misc. 110(NRB), 2013 WL
4 5966916, at *5 (S.D.N.Y. Nov. 8, 2013); *In re Astronics Advanced Elec. Sys.*, No. C12-
5 0776-JCC, 2012 WL 12874764, at *2 (W.D. Wash. Sept. 19, 2012), *aff’d*, 561 F. App’x
6 605 (9th Cir. 2014); *In re LG Elecs. Deutschland GmbH*, No. 12cv1197-LAB (MDD),
7 2012 WL 1836283, at *2 (S.D. Cal. May 21, 2012); *In re OOO Promnefstreoy*, Misc. No.
8 M 19-99(RJS), 2009 WL 3335608, at *5 (S.D.N.Y. Oct. 15, 2009).

9 Although Nikon’s subpoena names an entity—ASML US—that is not involved in
10 litigation abroad, Nikon’s discovery requests also target documents under the control of
11 Respondent’s parent, ASML NV, which itself *is* a party to those proceedings. Indeed,
12 Nikon’s discovery proposal seeks not only those documents under the control of ASML
13 US, but also those controlled by “all its predecessors, successors, parents, subsidiaries
14 and affiliates.” (Appl. Exh. A, Doc. 1-1.) This inherently encompasses both documents
15 stored in the Netherlands by ASML NV—a Dutch entity—and those stored stateside by
16 ASML US. As such, this weighs against granting Nikon’s application insofar as it seeks
17 the documents stored in the Netherlands.

18 Petitioner’s arguments to the contrary are not persuasive. Rather than focusing on
19 the jurisdiction of the foreign courts to reach the documents in question, Nikon only
20 contends that the courts of the Netherlands, Germany, and Japan are “unlikely to provide
21 any meaningful discovery.” (Appl. 6.) With respect to the courts of the Netherlands,
22 Nikon points to the procedural hurdles that a party must go through to obtain discovery
23 and to the Dutch courts’ tendency to deny discovery requests even when a party complies
24 with its procedural requirement. (Appl. 6.) Nikon’s discussion of the German and
25 Japanese courts focuses on the same issue: “the limitations of . . . procedural rules.”
26 (Appl. 8.) This line of argument misses the crux of the first *Intel* factor. The appropriate
27 inquiry is not about likely “availability” of discovery in a foreign court, but rather about
28 that court’s jurisdiction to access the documents. *See Intel*, 542 U.S. at 264. At no point

1 does Nikon suggest that these courts do not have the jurisdiction to reach the documents
2 listed in the subpoena. (*See* Appl. 5–8; Reply 2–3.) Accordingly, the Court weighs the
3 first *Intel* factor against granting the entirety of Nikon’s request.

4 **2. Receptivity of Foreign Courts to Evidence**

5 The second *Intel* factor tasks the Court with considering how receptive foreign
6 courts are to receiving evidence obtained through Section 1728 discovery. When the
7 parties do not produce evidence showing that a foreign court would reject evidence
8 obtained under Section 1782, courts tend to allow discovery. *See In re Kreke*, 2013 WL
9 5966916, at *5. As Petitioner has shown—and Respondent has not contested—all three
10 foreign courts appear to be receptive to evidence obtained through Section 1782.
11 (Haedicke Decl. ¶¶ 11-13, Doc. 1-3; Heemskerk Decl. ¶¶ 20–25, Doc. 1-3; Kobayashi
12 Decl. ¶ 12, Doc. 1-4.) Accordingly, the second *Intel* factor weighs in favor of granting
13 discovery.

14 **3. Circumvention of Foreign Policies**

15 Turning to the third *Intel* factor, courts may examine whether the application
16 request “conceals an attempt to circumvent foreign proof gathering restrictions or other
17 policies.” *Intel*, 542 at 265. In analyzing this factor, courts in the Ninth Circuit have
18 rejected a “quasi-exhaustion” requirement for discovery under Section 1782, *see, e.g., In*
19 *re O’Keeffe*, No. 2:14-cv-01518-RFB-CWH, 2015 WL 1308546, at *4–5 (D. Nev. Mar.
20 24, 2015); *In re Cathode Ray Tube Antitrust Litig.*, No. C-07-5944-SC, 2013 WL
21 183944, at *3 (N.D. Cal. Jan. 17, 2013); however, “[a] perception that an applicant has
22 side-stepped less-than-favorable discovery rules by resorting immediately to § 1782” may
23 . . . be a factor in the analysis, *In re Varian Med. Sys. Int’l AG*, No. 16-mc-80048-MEJ,
24 2016 WL 116158, at *5 (N.D. Cal. Mar. 24, 2016).

25 In opposing Nikon’s discovery request, ASML US again focuses on the actual
26 location of the documents described in the subpoena, noting that most of documents at
27 issue are located in the Netherlands. (Resp. 11–12.) Although the Court agrees that
28 Nikon’s use of Section 1782—rather than foreign discovery procedures—to get at

1 documents stored abroad suggests an attempt to side-step the burdens of those
2 procedures, (Resp. 12–13), that alone is not enough to weigh this factor against the
3 Petitioner. Indeed, ASML US has not pointed to any particular policy or restriction that
4 would be usurped by granting at least some discovery in this matter. This Court finds
5 instructive the distinction drawn between attempts to bypass “technical requirements”
6 and attempts to bypass “foreign proof-gathering restrictions” by the court in *Siemens AG*
7 *v. Western Digital Corp.*, No. 8:13-cv-01407-CAS-(AJWx), 2013 WL 5947973, at *3
8 (C.D. Cal. Nov. 4, 2013). Although Nikon’s attempt to get at ASML’s documents
9 through this Court surely is an attempt to bypass the “technical requirements” of foreign
10 discovery, this Court does not find that Nikon’s conduct rises to the level of an attempt to
11 bypass “foreign proof-gathering restrictions.” *See Siemens AG*, 2013 WL 5947973, at *3.
12 Accordingly, this factor neither weighs for nor against granting Nikon’s discovery
13 request.

14 **4. Burden on the Party**

15 Finally, under the fourth *Intel* factor, a court may reject or trim a discovery request
16 that is “unduly intrusive or burdensome.” *Intel*, 542 at 265. “When the information
17 sought is equally available through the foreign proceeding,” courts are more likely to
18 determine that a request for that information in the United States “unduly burdensome.”
19 *See In re Macquarie Bank Ltd.*, No. 2:14-cv-00797-GMN-NJK, 2015 WL 3439103, at *9
20 (D. Nev. May 28, 2015).

21 As noted previously, Nikon’s proposed subpoena reaches not only those
22 documents that are under the control of ASML US and located in the United States, but
23 also documents held and stored in the Netherlands, electronically or otherwise, by ASML
24 NV. Further, as ASML US notes, the scope of Nikon’s proposed subpoena is vast,
25 encompassing all documents related to a dozen ASML products. (Resp. 16; Appl. Exh. A
26 3–15.) As such, the Court agrees that permitting discovery as proposed by Nikon would
27 constitute an undue burden on ASML US. Accordingly, the fourth *Intel* factor weighs in
28 favor of trimming Nikon’s discovery requests.

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